

Employing staff for the first time!

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Employing staff for the first time may seem like a daunting task. You may well be thinking is this right for our group, are we ready, do we have the necessary skills and where can we go for support and the right information.

This fact sheet is specifically aimed a small community groups who are thinking about employing staff for the first time. It is designed to help small groups understand what they need to do before they start recruiting, the basic legal requirements and where to go for further information, advice, guidance and support.

Is your legal structure appropriate?

Firstly, the management committee of a group must consider whether their current legal structure is going to be appropriate when employing staff. There are many small groups in existence who employ a small number of staff while remaining as an unincorporated association. However, some management committees do feel more comfortable registering their group as a Company Limited by Guarantee when they start to employ higher numbers of staff or staff for the first time. Being a Company Limited by Guarantee gives committee members a little more protection and peace of mind. Being a company means that a group is recognised under the name of the group and not solely as a group of people on the committee. For example, if the group was taken to court as a company it would be under the name of the group and not under the name of the individual committee members. So, registering as a company provides some extra protection for committee members and registration costs as little as £20.

Legal obligations of employers

Before you recruit a member/s of staff you must:

- Set yourself up as an employer with Inland Revenue. Make sure you deduct your new

employer's tax and National Insurance contributions from his/her salary and pay this money to the Inland Revenue under PAYE. Once you have registered they will send you an employer's starter pack.

- Check with the Information Commissioner to see if you need to register under the Data Protection Act.
- Draft a health and safety policy, if you do not have one. Undertake any risk assessments that are required.
- Produce a written statement of the terms and conditions of employment.
- Draft disciplinary and grievance procedures, which comply with statutory minimum requirements, as soon as you are able.
- Draft an equality and diversity statement of intent policy as soon as you are able (see page 2).
- Decide how you are going to advertise the post.
- Prepare the job description, application forms, interview score sheets, interview questions, decide on the short listing process and who will be on the interview panel and monitoring procedures.
- Decide how the member of staff will be line managed.

Rights of employees and employers

There are things that you need to know about the rights of employers and employees. New laws are often brought in, so try to keep as up to date as you can.

There are general unwritten obligations in the employment relationship which are as follows;

The employee must:

- Not compete with the employer and render faithful service.

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- Carry out duties in their contract
- Maintain confidentiality
- Exercise reasonable care and skill

The employer must:

- Pay agreed wages
- Provide work
- Provide a safe place to work
- Pay out of pocket expenses
- Maintain confidentiality

The law provides a number of legal rights for employees. I suggest that you read the Acas Advisory Handbook, *Employing people—a handbook for small firms* (downloadable from www.acas.org.uk). To help you I have listed a few of the employees rights below but this list is not exhaustive.

Employees have the right to:

- Not to be discriminated against on the grounds of race, sex, marriage, disability, sexual orientation or religion or belief.
- To equal pay
- A contract
- Not to be unfairly dismissed
- To an itemised pay statement
- To maternity rights
- To notice of termination of employment
- To trade union membership
- To annual leave

For other rights of employees I suggest you read the book mentioned above.

Equal opportunities and diversity

It is important that your group celebrates diversity and actively works towards promoting equality of opportunity. Ensuring that your group reaches out to the wider community can help you to ensure that you get the right person for the job. Legislation also

requires that your group does not discriminate against certain groups. If you are actively working towards equality and diversity, you are less likely to discriminate. A good place to start in promoting equality and diversity in your group is to develop an equal opportunities and diversity policy.

It is important to have such a policy in place as it will help your group to clarify the main issues for your group, the opportunity to make changes, it may be required by funders and it helps staff and volunteers to understand how they and others should be treated.

The Recruitment process

It is important that you get the recruitment process right, not only to help you get the right person for the job but also to ensure you have followed a fair procedure. Here is a step by step guide to what should be done when recruiting.

- Put together an application pack. Don't forget the job description, person specification, ethnicity monitoring form, closing date and the short listing date.
- Ensure you have advertised the post in newspapers, job centres, radio etc. Try to find ways of advertising the post that reaches the wider community.
- Decide who will do the short listing and who will sit on the interview panel.
- Decide on the interview questions and short listing process.
- Let the candidates know if they have been successful or not and offer the opportunity for feedback.
- Arrange a start date for the successful candidate and carry out a full induction with them.

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Useful contacts

Acas (www.acas.org.uk) Tel: 08457474747

The Department of Trade and Industry (DTI)
(www.dti.gov.uk)

Business Link
(www.businesslink.gov.uk)

HM Revenue and Customs (Inland Revenue)
(www.inlandrevenue.gov.uk) Tel: 08456070143

Commission for Racial Equality (CRE)
(www.cre.gov.uk) Tel: 0207939000

Equal Opportunities Commission (EOC)
(www.eoc.org.uk) Tel: 08456015901

Disability Rights Commission
(www.drc-gb.org) Tel: 08457622633

Criminal Records Bureau (CRB)
(www.crb.gov.uk) Tel: 08709090811

Information Commission
Tel: 01625545740

Recommended reading

‘The Good Employment Guide for the Voluntary Sector’ by Wendy Ranken (ISBN: 0719916569) *NCVO*

‘The Employment Records Handbook for Voluntary Organisations’ by Paul Ticher with Gill Taylor (ISBN: 1903991390) *Directory of Social Change*

Support available from Dudley CVS

If you are thinking about employing staff for the first time and need help, support is available from Dudley CVS.

We can help you with:

- Registering as a Company Limited by Guarantee
- Registering as a charity
- Developing the necessary paperwork so your group can put in place the requirements when employing staff
- Locating and applying for funding
- Training

If you need support, please contact Dudley CVS on 01384 78166 or visit: www.dudleycvs.org.uk

Information for this briefing has been gathered from ‘The Good Employment Guide for the Voluntary Sector’ by Wendy Ranken, Acas and the Inland Revenue.